The Housing Commission of New South Wales in connection with the Eight International Conference (5-10th August, 1956 Munich, Germany)

PUBLIC HOUSING IN AUSTRALIA

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Brief notes on the general housing position in Australia and the contributions made by Commonwealth and State authorities in alleviating the housing shortage

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Prepared by -

The Housing Commission of N.S.W.

in connection with the

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PUBLIC HOUSING IN AUSTRALIA

1. Growth of Housing Difficulties in Australia - 1788-1945.

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Early standards of housing in Australia were most primitive. Dwellings for the most were temporary shelters hastily put together and made of materials close at hand. Soon after the arrival of Governor Phillip in 1788, brick-making was introduced, the finished product being devoted to the erection of barracks and dwellings for the administrators of the convict settlements. Roofs at first were thatched and windows consisted of openings covered by shutters. As might be expected, the arrangement of rooms followed closely the English pattern and little or no attempt was made to adapt the designs to suit the different climate.

It is probable that the famed convict architect, Francis Greenway, made the first contribution to the development of an architecture suitable to Australian climatic conditions when he included verandahs on his otherwise contemporary English Georgian buildings.

As settlement expanded beyond the coastal fringe, timber slab houses roughly erected and frequently with dirt floors came to be the normal home of many families. With the exception of the more well-to-do, most people lived in primitive and insanitary dwellings.

The gold rushes of the 1850s brought a huge influx of population to Australia. Many who came to quest for gold were disappointed. They remained, however, to settle in Australia and a considerable expansion of the principal towns was thus made possible.

With the coming of factories, cheap mean houses were built all round and between the factory premises. The first real slums were thus born. With no legislative restrictions to impose minimum standards of space and light, row upon row of workers' dwellings were jammed into every street. Land values soared with the high industrial potential and were reflected in the rates and added rents until the spiral of values reached a stage where one family could not afford one terrace home. These dwellings were

then subdivided to cram in more people and so began the overcrowding that exists to-day. "The dirty, shabby, shapeless towns and industrial suburbs grew from these beginnings. Vice, crime and disease followed. The industrial areas became the areas of poverty."

During the 19th Century, the production of houses like that of other commodities was left to the workings of supply and demand. But since wages were extremely low, satisfactory homes could not be provided as a business proposition at prices or rentals which the great bulk of families could afford. Badly designed units were built as cheaply as possible and crowded on to allotments with little regard for the welfare of future occupants. Upon completion, they were usually sold to a small investor who let them at the best rents available.

At the turn of the century, a growing awareness of the need to place some restraint upon the activities of speculative builders and to require observance of minimum standards in relation to housing was evident. In due course - 1906 in New South Wales - legislation was introduced providing for minimum standards of health and sanitation. But whilst these ordinances raised standards, they increased costs and consequently acted as a further deterrent to housing investment. Whilst they were intended as a minimum below which no conditions should fall, they became instead "a maximum as jerry builders erected street after monotonous street of uniform homes". Only the better paid workers could afford new homes and the remainder, more than one-third of the population, had to be content with old dwellings and frequently share even these with other families. Thus poverty brought overcrowding even though at times new cottages stood empty because homeseekers could not pay the rentals asked.

In 1909 Queensland was the first State Government to legislate for the establishment of a body to assist persons with low incomes to obtain homes. The Workers' Dwellings Act came into operation in 1910 and provided for the making of advances for the erection of dwellings to persons in receipt of annual incomes of not more than £200. About the same time other States began to take action along similar lines and in 1912 the Government of New South Wales enacted a Housing Act and the Western Australian Government a Workers' Homes Act. The Workers' Dwellings Act was passed in Victoria in 1914 and the Homes Act in Tasmania in 1919.

In New South Wales, the Housing Act which was passed in 1912 provided "for the erection of a model garden village to show how workmen's homes should be built and grouped in order to provide pleasant homes and healthy suburbs and to show how cheaply they could be provided ...", the Dacey Garden Suburb as it is now called. Under the provisions of the N.S.W. Local Government Act, 1919, powers were vested in Shire and Municipal Councils permitting them to undertake housing schemes and similar powers were granted in due course to Local Government Authorities in other States.

In all States at least some endeavour was made by the governments of the time to assist in the provision of homes for working class families. In addition, there was a greater preparedness to guarantee the activities of co-operative building societies and in some cases State banking institutions provided easier conditions for people who wanted to build their own homes. Increased activity in respect of public housing manifested itself in the late 1930s and was largely attributable to the economic depression of the early 1930s. This depression had led to the springing up in most cities of extremely sub-standard settlements erected by unemployed workers and highlighted the necessity for government assistance in the matter of housing. Some States set up special bodies to deal with the housing of unemployed and passed special legislation for the purpose.

The Housing Improvement Act, N.S.W. 1936, was designed to encourage and to finance slum clearance by metropolitan councils. Throughout the Commonwealth, however, Local Government displayed little or no desire to enter the housing field and it is only during recent years that Council housing schemes have been enacted and these have been on a very restricted basis and in some instances the homes provided were beyond the means of a large percentage of families.

About this time various other States also were enacting legislation dealing with housing. In 1936, for example, as well as the Housing Improvement Act passed by the New South Wales Government, the South Australian Trust Act was passed while in Victoria a Housing Investigation and Slum Abolition Board was appointed which led to the enactment of a Housing Act in that State in 1937.

At the outbreak of World War II, it could be said of this country that people in the upper income group were well housed since they had been in a position to plan and to finance homes

to their individual requirements. The middle class had to a large extent been able to purchase building allotments and to erect homes with finance by arrangement with co-operative societies, insurance companies and banks. But the largest group in the community, the lower income group, had been seriously neglected and their accommodation comprised in the main the cast-offs of the other groups. "They had not been in a position to afford a home of modern standards as well as food and clothing."

The shortage of dwellings throughout the Commonwealth in 1939 was estimated at 120,000. This clearly indicated that measures introduced up to that time had not been on a large enough scale. It is little wonder then that, with the almost complete cessation of building during the crucial years of World War II, the housing shortage had by 1945 reached immense proportions.

The Housing Commission of N.S.W. was constituted in 1942. Because of national circumstances, the construction of permanent homes could not be undertaken but in order to provide accommodation for war workers, the Commission undertook on behalf of the Commonwealth the construction of a large number of temporary housing structures and hostels in various centres. Although public housing authorities existed in most States, these generally were of fairly new creation and their activities were on a very restricted scale.

During the war, 1939-45, the activities of the State housing authorities were, of course, severely restricted and, with the entry of Japan into the conflict in December, 1941, the permanent housing programmes of all these bodies throughout the Commonwealth were virtually suspended. In subsequent months, a total of approximately 160,000 men from the building and construction industries or approximately 48% of their pre-war strengths entered the armed forces. In addition, a considerable number of the employees remaining in the industries were engaged on defence and associated works either by the Allied Works Council or by private contractors who had turned from home and general building construction to the much more urgent task of national defence. Such activities as other housing authorities were able to undertake were associated with the war effort and usually the provision of housing in conjunction with munitions plants and similar projects.

Despite all the endeavours of private and governmental housing agencies, the shortage of homes in each State is still very considerable. With the arrival of more and more migrants and with the natural expansion of population, it seems unlikely that the problem will be solved for quite some years to come.

Recognising the growing housing problem, the Commonwealth Government in 1943 appointed a Commonwealth Housing Commission to carry out an exhaustive study of the problem and to assess the housing shortage and recommend the methods which should be adopted for meeting the problem in the post-war period. The Commission carried out a very detailed investigation, visiting 59 towns representative of all States of the Commonwealth and taking evidence from 948 witnesses representing various interests. It prepared a very comprehensive report in August, 1944, which, inter alia, estimated that by January, 1945, a shortage of dwellings (including sub-standard houses needing replacement) would amount to 300,000 throughout the Commonwealth.

The Commonwealth Housing Commission recommended co-operation between the Commonwealth and States in solving the housing problem and it was largely as a result of the Commission's recommendations that the Commonwealth and State Housing Agreement was signed in November, 1945. The various States and the Commonwealth were parties to this agreement which was in due course ratified by the various Parliaments. The agreement approved the machinery for the post-war housing schemes in most of the States, the Commonwealth advancing the necessary funds to the States and the State Housing Authorities undertaking housing programmes with the finances thus provided.

The agreement required repayment of the advances by the States in annual instalments of principal and interest over a maximum period of 53 years, the rate of interest not to exceed that payable on the long-term Commonwealth Loan last raised prior to or being raised on the date of the advance. In actual fact, a flat rate of interest of 3% has been applied during the currency of the agreement. The agreement also provides for the allocation of completed dwellings amongst persons in need of proper housing accommodation and specifies that a certain proportion of homes be allocated to ex-service personnel.

Amongst other matters dealt with in the agreement is the formula for the calculation of the weekly economic rental of dwellings based upon repayment of principal interest charges,

maintenance, rates and taxes, insurance and administrative charges. The agreement also sets out in detail the provision whereby families with low incomes may receive rebates of rental. The method of ascertaining the loss incurred by a State under the agreement is also set out, such loss to be borne by the Commonwealth and the State in the proportions of three-fifths and two-fifths respectively. The agreement, although relating primarily to rental projects, also provides for the sale of homes to tenants on a cash basis or on a deposit and instalments basis.

2. Operations of State Housing Authorities, 1945-1956.

As has been mentioned, public housing bodies had been instituted in the majority of the States prior to 1945 but their activities had been restricted, particularly during the war years, and it was not until after the cessation of hostilities that large scale housing projects were undertaken by the various State Housing Authorities. The authorities in the various States are -

State Authority	Constituted by
The Housing Commission of N.S.W.	Housing Act, 1941
Housing Commission, Victoria	Housing Act, 1937
Queensland Housing Commission	State Housing Act, 1945
South Australian Housing Trust	Housing Trust Act, 1936
State Housing Commission, Western Australia	State Housing Act, 1946
Housing Department, Tasmania	Homes Act, 1953

The total number of dwellings completed throughout Australia from 1st July, 1945, to 30th September, 1955, by all instrumentalities, government and otherwise, was 610,235. State Housing Authorities in this period completed a total of 128,961 dwellings of which 88,599 were constructed under the Commonwealth and State Housing Agreement and 40,362 were financed otherwise than under the agreement. In the same period, these authorities converted 7,300 military hutments to dwelling units and completed nearly 2,300 dwellings for temporary housing purposes. In addition to the State Housing Authorities, the War Service Homes Department and Commonwealth Bank and various State Banks also constructed large numbers of homes. During the year ended 31st December, 1955, for example, a total of 11,208 homes was completed by these instrumentalities.

The number of homes completed by the various State Housing Authorities could have been considerably greater had funds been provided for activities under the Commonwealth and State Housing Agreement more closely approximating the requirements of those authorities. For a number of years the State authorities, having framed their programmes for the year based upon knowledge of the building potential they could command in that year, found, on seeking an allocation of funds in terms of the agreement, that the actual allocation to them of funds by the Commonwealth fell substantially below their notified requirements.

Despite the completion of 128,961 permanent dwellings since 1945, the State Housing Authorities still have almost as many eligible applicants and families in emergency accommodation awaiting allocation of homes and are receiving new applications in greater numbers than houses can be provided. Analysis of these applications reveals that the great majority are from people whose family responsibilities and economic circumstances are such that they can only look to the Government housing authorities for proper and decent accommodation. That is to say, irrespective of the most favourable conditions under which finance for the potential private home builder is likely to be made available, comparatively few appear to be in a position to accomplish successfully the building of their own homes through the normal process of obtaining a suitable building block and arranging the erection of a residence. Apart from the possibility of a home through the appropriate Housing Commission, there is, therefore, virtually no other prospect for them. Many, of course, apply to the Commission as emergency cases facing eviction or otherwise in need of immediate shelter.

The worthiness and desirability of all possible assistance being afforded to persons desirous of undertaking the building or purchase of their own homes, particularly in the way of availability of credit on suitable terms, is fully appreciated by the various Commissions which have no desire to monopolise the home building field and have in fact never been in a position to provide more than about 20% of the dwellings built in the various States in any one year. It is considered, however, that the undeniable fact that a substantial percentage of the most inadequately housed families are not, and probably never will be, in a financial position to undertake the building or purchase of their own homes in the ordinary way must be recognised. This percentage can be said to be fairly represented by the majority of applicants seeking accommodation through the Commissions and it is in respect of these applicants that the Commissions are expected to discharge their responsibilities.

With the restrictions imposed upon their activities by the amount of finance provided annually for their operations under the Commonwealth and State Housing Agreement, the Commissions' ability to meet the demands upon them, even to the inadequate extent of the past, must necessarily be impaired and grave concern is felt for the additional hardship and waiting this entails for very many families.

It is to be anticipated that, irrespective of any freer availability of finance to private individuals for home construction or purchase, there will in the foreseeable future continue to be a steady flow of additional applications to the State housing authorities. The numbers are now being increased by applications from migrants, more and more of whom are progressively becoming eligible for consideration and who can only look to the Commissions for proper accommodation.

It is most regrettable, therefore, that the Commissions must continue to be unable to take full advantage of the building industry resources available for their works and so provide the maximum number of dwellings which such resources would permit. During more recent times, while finance for home construction has been severely limited, there has not been the same shortage of money for the financing of other types of building. This has caused the manpower and material resources of the building industry to be diverted more from home construction to other building operations, many far less important than housing.

As stated, the Commissions would welcome the provision of adequate finance to assist the private home builder as it is obvious that the diminished flow of money in this direction has restricted housing operations. It does not appear, however, that there is any reason or justification to provide such extra assistance at the expense of the Commissions' housing projects which are carried out in the interests of those who have established a dire housing need and who are probably in the least favourable position to alleviate their accommodation difficulties. Rather do the Commissions feel that there is a considerable scope for a much greater overall volume of home building in their States. If proper regard is had to the situation and to building potential, there appears to be no doubt that additional finance could be made available for the private home builder or purchaser without in any way interfering with allocations for Housing Commission activities more closely related to the demands for Commission dwellings.

The Commonwealth and State Housing Agreement has definitely resulted in many more dwellings being constructed at reasonable cost throughout the States than would otherwise have been the case. Further, such homes have been allocated to those families most in need of homes and at sub-economic rentals where the family income so warranted. For these reasons alone, it is felt that serious consideration should be given to the continuance of an arrangement which will provide housing under similar conditions.

The agreement, which had a currency of ten years, expires on varying dates in the various States during the financial year 1955-56. Agreement has not yet been reached upon the form which the new Commonwealth and State Housing Agreement should take and it is difficult, therefore, to forecast the extent of the future activities of the various State housing authorities.

3. Planning of Government Housing Estates.

The planning of the estates of State housing authorities, particularly the major estates, has continued to incorporate all modern trends and developments in the implementation of large scale housing projects so that the permanent result will be a pleasant area in which to reside and comfortable, well maintained homes with all necessary amenities suitably and conveniently located which presents a pleasing overall picture.

The subdivision itself, siting and the use of various types of cottage construction and a variety of designs, including an appropriate percentage of flats and other multi-unit types, careful attention to colour schemes, insistence upon proper care of grounds and gardens, tree planting schemes, etc. are all availed of to contribute to the result desired.

Provision for playing areas and reserves, shopping facilities, commercial centres, schools, community centres, churches, etc. is made according to requirements.

4. Government Housing in Country Centres.

The Commonwealth and State Governments have been pursuing a policy of decentralisation of population and industry. The various State housing authorities have co-operated in this scheme and have provided housing, particularly in country centres, in conformity with decentralisation requirements. Of the 88,599 dwellings

completed by State housing authorities under the Commonwealth and State Housing Agreement, the number built in country centres was 32,339 which represents 36% of the total. Having regard to the tremendous concentration of population in urban areas in the Australian States, this proportion is considered to be quite satisfactory.

To take New South Wales for example - On 30th June, 1955, there were five country towns in which the Housing Commission of N.S.W. had completed more than 200 houses, seven where between 150 and 200 had been completed, 13 where between 100 and 150 had been completed and 15 where between 50 and 100 had been completed. Of the homes under construction by the Housing Commission at 30th June, 1955, 47% were in the Sydney Metropolitan Area, 9% in the Wollongong-Port Kembla district, 6% in the Newcastle district and 38% in other country areas generally.

Particular difficulties have been encountered in a number of States in arranging construction of homes in country centres due principally to the fact that resources of labour and materials in country areas have been committed to other works, particularly those associated with building improvements, etc. in connection with primary industry.

Primary industry in Australia has enjoyed a period of particularly high prosperity in the post-war era and it has been extremely difficult for State housing authorities to compete for the services of builders in some country centres. The fact that State housing organisations have been able to build 36% of completed dwellings in country centres is therefore not altogether indicative of the effort which has been expended by them on the problem of housing in country centres.

The State housing authorities in some States have erected special type housing on rural properties for use by farm workers, etc. In other States, low cost type cottages have been designed for erection in the smaller centres of population in the country.

5. <u>The Import of Houses from Overseas by Government Housing Authorities</u>.

When it was apparent, particularly in the immediate post-war period, that the available resources of labour and materials in the building industry in Australia would prove inadequate to the demand for housing, a number of State housing authorities sought

assistance overseas. Contracts were entered into for the supply, or supply and erection, of imported houses. The Commonwealth Government offered the State housing authorities a subsidy of £300 per house, subject to certain conditions, which was designed to overcome the effects of the increased cost of imported houses to the States. Some of these contracts resulted in numbers of overseas building workers being transferred to Australia by the contractor to carry out building work. The countries of origin of imported houses included Austria, Germany, France and Italy as well as the United Kingdom.

For a variety of reasons, the majority of contractors in this category encountered difficulties in completing their contracts and in quite a number of cases it became necessary for the housing authority to cancel the contract and have the work completed by other means. In the light of the improvement which has occurred in the building industry, it is not anticipated that it will be necessary to seek the assistance of overseas organisations under similar contracts in the future.

6. Costs of Construction in Government Housing.

From the inception of operations, building construction costs have been of vital concern to the Commissions since they constitute the major element of capital cost and have a profound effect upon economic rental and sale prices.

Naturally, the rising cost spiral in this sphere over the past ten years, which is generally well known, has been viewed with some alarm and special efforts have been made at all times to keep project costs as low as possible.

Even in the most difficult period of stress upon the building industry and its resources, most State housing authorities refrained from accepting tenders which were high in relation to estimates of cost. The estimates are compiled on a fair and equitable basis of list prices for materials, award rates and conditions of labour and reasonable productivity factors with due allowance for conditions in particular localities.

Assistance rendered to industries producing vital building materials and the importation of quantities of building materials in short supply locally have enabled builders to be aided at important stages of their operations. These steps in no way

reacted to the disadvantage of the private home builder nor did they contribute to inflationary trends but on the contrary some resulted in advantage outside the sphere of the Commission's own operations.

7. Management of Properties by State Housing Authorities.

Although some of the dwellings erected by State housing authorities are sold to applicants, the greater proportion at present remain as rental housing. Consequently, most Housing Commission authorities face an increasing problem in the sphere of property management.

The standard of care of property exercised generally by the tenants of Housing Commission dwellings has been satisfactory in all except a small minority of cases. In view of the growing number of tenanted properties under the Commissions' control, the small number of families against whom strong action for neglect or misuse of property has to be taken represents an insignificant proportion of tenants.

The great majority of tenants have in fact worked diligently in improving the surroundings of their dwellings by creating and maintaining lawns and gardens. In this they are encouraged and assisted by the housing authorities which in some cases donate prizes for gardens in association with certain horticultural competitions. Trees and shrubs are generally distributed free to tenants with advice as to planting and care.

These and other aspects of property management peculiar to numerous and extensive estates in Government ownership require constant attention. Oversight has to be exercised to safeguard against overcrowding by unauthorised occupants, unauthorised transfers of tenancies or sub-letting, unsatisfactory tenant behaviour and unauthorised interference with properties, erection of structures and other matters while action is frequently called for in connection with domestic discord and disputes between tenants and special problems associated with elderly tenants.

In this sphere, the housing authorities cannot remain oblivious of the social problems naturally, and not infrequently, encountered in dealing with the housing of many families in the low income group. Certain of these at times present particular difficulty and the assistance of experts in various fields is

co-opted as occasion demands to supplement its own social welfare efforts. Through the help and guidance provided by or through the authority after the granting of accommodation, many families have been rehabilitated to a satisfactory level of social behaviour although some failures in this regard must also be admitted.

These and associated activities are an inseparable part of the work of government housing authorities. Although they add to the cost of other managerial functions such as dealing with applications for tenancy, allocation of dwellings, transfers, rebates, rent collection and maintenance, all of which has to be met from revenue from rentals, such expense is a worthwhile investment returning substantial dividends in various ways to the community.

Proof of this is evidenced in cases where the first decent accommodation some "problem" families had known was that obtained from a Housing Commission. With assistance and encouragement they have reacted favourably to their new environment, developing house pride as tenants and eventually proceeding towards home ownership. With the favourable conditions under which tenancy can now be converted to ownership, it is anticipated that instances of this nature will increase.

Generally it can be said that Housing Commission tenants are in a favourable position in comparison with ordinary tenants. In rentals which are calculated on the Housing Agreement formula, they have the advantage of the reasonable costs at which the Commission provides the dwellings and thus rentals lower than could be charged by a private landlord for similar dwellings. Allied with the economic rental is the rental rebate scheme which operates to relate actual rental paid to an amount the family income can support.

Tenants have absolute security of tenure so long as they meet their obligations and comply with the conditions of tenancy. The necessity for quick and prompt action when deficiencies of this nature become apparent is well known and failure to insist on corrective measures in the early stages of such deficiencies can well result in the tenant getting into a position where rehabilitation is extremely difficult.

The basis of allocation of homes varies somewhat from State to State but in conformity with the Housing Agreement, there is generally an insistence on an established housing need in respect

of rental housing at least. The actual allocation of dwellings is made on the basis of either a priority system which takes into account various factors or admission to ballot amongst all persons whose circumstances have been investigated and are adjudged eligible for admission to ballot on the basis of their housing need.

In most States, emergency accommodation is available, generally in the form of converted military hutments and it is usual for accommodation at these centres to be allocated to persons in dire need thereof. Emergency housing centres are generally regarded as temporary accommodation, the occupants thereof qualifying for accommodation of permanent homes after a certain period of residence. The period of residence in an emergency housing centre is frequently taken by the State housing authority as a period in which the applicant for permanent accommodation can be assessed as to his suitability having regard to the family's standards of behaviour, etc. and if necessary the attention of Welfare Officers can be directed to the family in an endeavour to inculcate standards of behaviour, etc. sufficient to ensure their becoming satisfactory tenants of a permanent home in due course.

Some State housing authorities make special arrangements regarding allocations to persons having a genuine housing need whose applications are sponsored by special approved organisations. The Housing Commission of N.S.W., for example, has made a number of direct allocations to families sponsored by -

T.B. Sailors, Soldiers and Airmen's Association of N.S.W.
Totally and Permanently Disabled Soldiers' Association
War Widows' Craft Guild
Totally Blinded and Partially Blinded Soldiers
Limbless Soldiers' Association
Red Cross
Legacy
Royal Blind Society
State Tuberculosis Allowances Committee

In all, that Commission has allocated some 600 dwellings to families sponsored through these organisations.